

## **News Release**

### **AIK COMP MEMBERS PAY \$68 MILLION IN CASH, NOTES**

#### ***Legal actions against non-paying members to begin Feb. 7***

FRANKFORT, Ky. (Feb. 2, 2006) – AIK Comp members have paid over \$68 million in cash and promissory notes toward a \$90.7 million assessment ordered by the Franklin Circuit Court in November 2005.

The assessment followed a settlement reached in court-ordered mediation between the rehabilitator and certain members of the failed workers' compensation self-insured group.

“We are very pleased at the response from these members. We know it has been difficult for many to fulfill this obligation and we commend them for stepping up,” said Glenn Jennings, the rehabilitator, who is also executive director of the Kentucky Office of Insurance.

Members had 60 days to pay 80 percent of the pro-rata assessment and provide a promissory note for the remaining 20 percent. After Feb. 7, non-compliant members will be charged 1 percent interest per month and will be liable for the costs of any collection efforts, including attorney fees.

“Beginning Feb. 7, we will begin aggressive collection efforts against those members who have made no effort to pay the assessment due. We offered a payment plan for those who could show hardship and feel we have made every effort to work cooperatively with the members,” said Jennings.

AIK Comp entered into voluntary rehabilitation on Aug. 5, 2004. The fund announced in late December 2004 that it would suspend writing new or renewal business, effective Jan. 1, 2005. All policies ended March 1, 2005.